



LEROY D. BACA, SHERIFF

**County of Los Angeles**  
**Sheriff's Department Headquarters**  
**4700 Ramona Boulevard**  
**Monterey Park, California 91754-2169**  
*A Tradition of Service*



December 03, 2013

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENTS TO THE AGREEMENTS WITH DVA HEALTH CARE RENAL CARE,  
INCORPORATED AND DANIEL LEVITAN, M.D., INCORPORATED  
RELATED TO OUTPATIENT END-STAGE RENAL DIALYSIS  
TREATMENT SERVICES  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

The Los Angeles County Sheriff's Department (Department) is seeking the Board's approval and execution of Amendment Number Eight to Agreement Number 75746 with DVA Healthcare Renal Care, Incorporated (DaVita) and Amendment Number Seven to Agreement Number 75747 with Daniel Levitan, M.D., Incorporated (Dr. Levitan) to extend the term of both Agreements for an additional two years for the continued provision of inmate outpatient end-stage renal dialysis (ESRD) treatment and professional medical services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and instruct the Chairman of the Board to sign the attached Amendment Number Eight to Agreement Number 75746 with DaVita to extend the term of Agreement Number 75746 for two years, from January 5, 2014, through January 4, 2016, to increase the Maximum Contract Sum by \$2,476,440, from \$6,810,210 to \$9,286,650, and to increase the dialysis treatment service rate by seven percent.
2. Approve and instruct the Chairman of the Board to sign the attached Amendment Number Seven to Agreement Number 75747 with Dr. Levitan to extend the term of Agreement Number 75747 for two years, from January 5, 2014, through January 4, 2016, to increase the Maximum Contract Sum by \$145,456, from \$400,000 to \$545,456, and to increase the physician's professional services rate by ten percent.

3. Delegate authority to the Sheriff or his designee to terminate both Agreement Number 75746 and Agreement Number 75747 earlier, in whole or in part, with 30 days advance written notice, once the Department has completed the solicitation process for new service Agreement(s).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the Department to continue to provide outpatient ESRD treatment and professional medical services to inmates in the Department's custody. Under both federal and state law, the Department has the legal obligation to provide reasonable health care to its inmate population, which includes dialysis treatment for inmates with chronic renal failure.

The ESRD treatment process includes dialysis treatment, periodic examination of the patient, and the review of patient records by a physician who specializes in renal care. DaVita provides dialysis treatment only. Dr. Levitan, an independent medical corporation specializing in renal care, provides the subsequent professional medical services to inmates receiving dialysis treatment from DaVita. State law (California Business and Professions Code Section 2400) relating to the corporate practice of medicine requires Los Angeles County (County) to enter into separate Agreements with DaVita and Dr. Levitan.

The proposed amendments will allow the Department to complete the solicitation process for new service agreement(s).

### **Implementation of Strategic Plan Goals**

The services provided under the proposed amendments support the County's Strategic Plan, Goal 1, Operational Effectiveness. Inmates are provided necessary medical care for their chronic medical conditions while allowing the Department to manage its medical services operation effectively and efficiently.

### **FISCAL IMPACT/FINANCING**

The Department has included the funding for inmate outpatient ESRD treatment and professional medical services in its current Fiscal Year 2013-14 operating budget. The Department will continue to allocate the necessary funds throughout the duration of the Agreements as extended by the proposed amendments.

Amendment Number Eight to Agreement Number 75746 with DaVita increases the dialysis treatment service rate by seven percent and increases the Maximum Contract Sum by \$2,476,440, from \$6,810,210 to \$9,286,650. The additional cost for the two extension years provides for inmate outpatient ESRD treatment services.

Amendment Number Seven to Agreement Number 75747 with Dr. Levitan increases the physician's professional services rate by ten percent and increases the Maximum Contract Sum by \$145,456, from \$400,000 to \$545,456. The additional cost for the two extension years provides for professional medical services.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On July 5, 2006, the County entered into agreements with DaVita and Dr. Levitan. Both Agreements had an initial two-year term with three one-year option periods and an additional six months.

Effective October 1, 2009, Agreement Number 75746 with DaVita was amended under Amendment Number Three to reduce the dialysis treatment service rate by seven percent in exchange for County's increase in the number of option years by two additional option years; and Agreement Number 75747 with Dr. Levitan was amended under Amendment Number Three to reduce the total charges for services by ten percent in exchange for County's increase in the number of option years by one additional option year.

On June 12, 2012, the Board approved Amendment Number Six to Agreement Number 75747 with Dr. Levitan to exercise the six-month option period from July 5, 2012, through January 4, 2013, and to extend Agreement Number 75747 for an additional one-year period from January 5, 2013, through January 4, 2014, to coincide with the expiration of the Agreement Number 75746 with DaVita.

On June 26, 2013, the Department entered into Amendment Number Seven to Agreement Number 75746 with DaVita to exercise the final six-month option period from July 5, 2013, through January 4, 2014.

Both Agreements will expire on January 4, 2014.

The Department has researched the feasibility of establishing an in-house ESRD clinic at the Department's Medical Services Bureau. The Department procured a consultant under a purchase order issued by the Internal Services Department to assist the Department with the legal, operational, and specific work requirements necessary to develop the clinic. The complexities of the work requirements arising from the consultant's efforts were unforeseen and have caused work on the matter to progress more slowly than anticipated.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these actions will allow the Department to continue to provide outpatient ESRD and subsequent professional medical services to inmates.

**CONCLUSION**

Upon Board approval, please return two adopted copies of this Board letter, two fully-executed copies of Amendment Number Eight to Agreement Number 75746, and Amendment Number Seven to Agreement Number 75747 to the Department's Contracts Unit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Leroy D. Baca". The signature is fluid and cursive, with the first name "Leroy" being more prominent.

LEROY D. BACA  
Sheriff

LDB:SD:sd

Enclosures

**AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 75746  
BY AND BETWEEN COUNTY OF LOS ANGELES AND  
DVA HEALTHCARE RENAL CARE, INCORPORATED  
FOR INMATE OUTPATIENT END-STAGE RENAL  
DIALYSIS TREATMENT SERVICES**

This Amendment Number Eight ("Amendment") to Agreement Number 75746 ("Agreement") is entered into by and between the County of Los Angeles ("County") and DVA Healthcare Renal Care, Incorporated (DaVita) ("Contractor"), effective upon execution by the Chairman of the County's Board of Supervisors.

- A. WHEREAS, on July 5, 2006, the County and Contractor entered into the Agreement to provide inmate outpatient end-stage renal dialysis treatment services; and
- B. WHEREAS, the Agreement had an initial two (2) year term with three (3) one-year option periods and an additional six (6) months, in any increment; and
- C. WHEREAS, effective July 5, 2008, the County and Contractor entered into Amendment Number One to the Agreement to execute the first option year and extend the term of the Agreement from July 5, 2008 through July 4, 2009; and
- D. WHEREAS, effective July 5, 2009, the County and Contractor entered into Amendment Number Two to the Agreement to execute the second option year and extend the term of the Agreement from July 5, 2009 through July 4, 2010; and
- E. WHEREAS, effective October 1, 2009, County and Contractor entered into Amendment Number Three to the Agreement to reduce the dialysis treatment service rate by seven percent (7%) in exchange for County's increase in the number of option years by two (2) additional option years; and
- F. WHEREAS, effective July 5, 2010, County and Contractor entered into Amendment Number Four to the Agreement to execute the third option year and extend the term of the Agreement from July 5, 2010 through July 4, 2011; and
- G. WHEREAS, on April 20, 2011, County and Contractor entered into Amendment Number Five to the Agreement to execute the fourth option year and extend the term of the Agreement from July 5, 2011 through July 4, 2012; and
- H. WHEREAS, on June 29, 2012, County and Contractor entered into Amendment Number Six to the Agreement to execute the fifth option year and extend the term of the Agreement from July 5, 2012 through July 4, 2013; and
- I. WHEREAS, on June 26, 2013, County and Contractor entered into Amendment Number Seven to the Agreement to execute the six-month option period to extend the term of the Agreement from July 5, 2013 through January 4, 2014; and

**AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 75746  
BY AND BETWEEN COUNTY OF LOS ANGELES AND  
DVA HEALTHCARE RENAL CARE, INCORPORATED  
FOR INMATE OUTPATIENT END-STAGE RENAL  
DIALYSIS TREATMENT SERVICES**

- J. WHEREAS, the Agreement is currently in its final 6-month option period and expires on January 4, 2014; and
- K. WHEREAS, County and Contractor agree to extend the term of the Agreement for an additional two (2) years from January 5, 2014 through January 4, 2016 and to increase the Maximum Agreement Sum by \$2,476,440, from \$6,810,210 to \$9,268,650; and
- L. WHEREAS, County and Contractor agree to increase the dialysis treatment service rate by seven-percent (7%).

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, County and Contractor hereby agree to amend the Agreement as follows:

- 1. Paragraph 3.0, Period of Performance, of the Agreement is deleted in its entirety and replaced as follows to extend the term of the Agreement through January 4, 2016 and to add the County-mandated Contractor Alert Reporting Database (CARD) language:

**3.0 PERIOD OF PERFORMANCE**

- 3.1 The term of this Agreement shall commence July 5, 2006 and shall terminate January 4, 2016, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.
- 3.2 County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a contract term extension option.
- 3.3 Contractor shall notify County when this Agreement is within six (6) months from the expiration of the term of this Agreement as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the County's Project Director in accordance with Subparagraph 11.1, County's Project Director, of this Agreement.
- 3.4 In the event that this Agreement is terminated prior to the expiration date, Contractor shall, at no cost to County, fully cooperate with County to transfer all County-owned materials and/or property in Contractor's possession to County within ten

**AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 75746  
BY AND BETWEEN COUNTY OF LOS ANGELES AND  
DVA HEALTHCARE RENAL CARE, INCORPORATED  
FOR INMATE OUTPATIENT END-STAGE RENAL  
DIALYSIS TREATMENT SERVICES**

(10) calendar days of such termination.

2. Exhibit B, Price Sheet, of the Agreement is deleted in its entirety and replaced with the attached revised Exhibit B, Price Sheet, to increase the dialysis treatment service rate by seven-percent (7%), effective January 5, 2014.
3. Subparagraph 6.1 of the Agreement is deleted in its entirety and replaced as follows to increase the Maximum Agreement Sum by \$2,476,440, from \$6,810,210 to \$9,286,650, for the additional two (2) year extension period:

6.1 The Maximum Agreement Sum of this Agreement is based on an annual average workload of 2,600 treatments, including any and all extensions, and an allowance to cover costs for unanticipated increases in the number of patients and EPO usage, and shall not exceed Nine Million, Two Hundred Eighty-Six Thousand, Six Hundred and Fifty Dollars (\$9,286,650) (hereinafter "Maximum Agreement Sum"). The allowance shall not exceed \$150,000 for the entire term of this Agreement. Any and all out-of-pocket fees, costs, taxes, and/or expenses not specified by Contractor in Exhibit B (Price Sheet) and in Paragraph 5.0 (Payment and Service Schedule) of this Agreement shall be the sole responsibility of Contractor, and cannot be the basis for Contractor to request for an increase in the Maximum Agreement Sum of this Agreement.

Contractor shall pay any and all taxes that are now in effect or shall hereafter be imposed or levied that may be applicable to this Contractor for any of the work performed hereunder, including, but not limited to, payroll, income, sales, and social security taxes. In no event shall such obligation(s) and/or payment(s) increase the Maximum Agreement Sum of this Agreement.

4. Subparagraph 12.2.1 of the Agreement is deleted in its entirety and replaced as follows to replace the Contractor's Project Manager:

12.2.1 Contractor's Project Manager shall be a full-time employee of Contractor and is designated as follows:

Jim Tierney, Regional Director  
8630 Florence Avenue  
Downey, California 90240

Telephone: (818) 645-1165



**AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 75746  
BY AND BETWEEN COUNTY OF LOS ANGELES AND  
DVA HEALTHCARE RENAL CARE, INCORPORATED  
FOR INMATE OUTPATIENT END-STAGE RENAL  
DIALYSIS TREATMENT SERVICES**

Fax No.: (877) 478-5902

E-mail: [Jim.Tierney@davita.com](mailto:Jim.Tierney@davita.com)

5. Except as expressly provided in this Amendment, all other provisions, terms, and conditions of the Agreement shall remain the same and in full force and effect.
6. Contractor and the person executing this Amendment on behalf of Contractor represent and warrant that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of this Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.



**AMENDMENT NUMBER EIGHT  
TO AGREEMENT NUMBER 75746  
BY AND BETWEEN COUNTY OF LOS ANGELES AND  
DVA HEALTHCARE RENAL CARE, INCORPORATED  
FOR INMATE OUTPATIENT END-STAGE RENAL  
DIALYSIS TREATMENT SERVICES**

**IN WITNESS WHEREOF**, the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment Number Eight to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number Seven, or caused it to be duly executed by its duly authorized officer.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer  
Los Angeles County  
Board of Supervisors

By: \_\_\_\_\_  
Deputy

DVA HEALTHCARE RENAL CARE,  
INCORPORATED

By: \_\_\_\_\_

Print Name Robert Bada

Date: 11/19/2013

APPROVED AS TO FORM:

JOHN F. KRATTLI  
County Counsel

By: \_\_\_\_\_

Michele Jackson  
Senior Deputy County Counsel

**EXHIBIT B**

**PRICE SHEET**

*TS*

# PRICE SHEET

Amended and Restated Under Amendment Number Eight

## TREATMENT AND EPO COSTS

	BASE TERM 1	BASE TERM 2	OPTION TERM 1	OPTION TERM 2	OPTION TERM 3	OPTION TERM 4	OPTION TERM 5	6-MONTH OPTION	ADDITIONAL YEAR ONE	ADDITIONAL YEAR TWO
Dialysis Treatment Services	\$300.00	\$318.00	\$337.08	\$357.30	\$378.74	\$401.46	\$425.55	\$451.08	\$478.14	\$506.83
*Reduction of 7%				\$332.29	\$352.23	\$373.36	\$395.76	\$419.50		
**Increase of 7%									\$478.14	\$506.83
EPO Usage (per 1,000 Units)	\$17.00	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00

\*Effective October 1, 2009 (Amendment Number Three)

\*\* Effective January 5, 2014 (Amendment Number Eight)

County of Los Angeles  
Sheriff's Department

Exhibit B  
Price Sheet

**AMENDMENT NUMBER SEVEN  
TO AGREEMENT NO. 75747  
BY AND BETWEEN COUNTY OF LOS ANGELES  
AND DANIEL LEVITAN, M.D., INC.  
FOR PROFESSIONAL MEDICAL SERVICES**

This Amendment Number Seven ("Amendment") to Agreement Number 75747 ("Agreement") is entered into by and between County of Los Angeles ("County") and Daniel Levitan, M.D., Inc. ("Contractor"), effective upon execution by the Chairman of the County's Board of Supervisors.

- A. WHEREAS, on July 5, 2006, County and Contractor entered into the Agreement to provide Professional Medical Services to inmates receiving End-Stage Renal Dialysis (ESRD) Treatment Services from DVA Healthcare Renal Care, Incorporated pursuant to Agreement Number 75746; and
- B. WHEREAS, the Agreement had an initial two (2) year term with three (3) one-year option periods and an additional six (6) months, in any increment; and
- C. WHEREAS, effective July 5, 2008, County and Contractor entered into Amendment Number One to the Agreement to exercise the first option year and extend the Agreement for one (1) year from July 5, 2008 through July 4, 2009; and
- D. WHEREAS, effective July 5, 2009, County and Contractor entered into Amendment Number Two to the Agreement to exercise the second option year and extend the Agreement for one (1) year from July 5, 2009 through July 4, 2010; and
- E. WHEREAS, effective October 1, 2009, County and Contractor entered into Amendment Number Three to the Agreement to reduce the total charges for services by ten-percent (10%) in exchange for County's increase in the number of option years by one (1) additional option year; and
- F. WHEREAS, effective July 5, 2010, County and Contractor entered into Amendment Number Four to the Agreement to exercise the third option year and extend the Agreement for one (1) year from July 5, 2010 through July 4, 2011; and
- G. WHEREAS, on April 20, 2011, County and Contractor entered into Amendment Number Five to the Agreement to exercise the fourth option year and extend the Agreement for one (1) year from July 5, 2011 through July 4, 2012; and
- H. WHEREAS, on June 12, 2012, County and Contractor entered into Amendment Number Six to exercise the 6-month option period, from July 5, 2012 through January 4, 2013 and to extend the Agreement for an additional one (1) year period from January 5, 2013 through January 4, 2014, to coincide with the expiration of Agreement Number 75746 with DVA Healthcare Renal Care, Incorporated for End-Stage Renal Dialysis Treatment Services; and

**AMENDMENT NUMBER SEVEN  
TO AGREEMENT NO. 75747  
BY AND BETWEEN COUNTY OF LOS ANGELES  
AND DANIEL LEVITAN, M.D., INC.  
FOR PROFESSIONAL MEDICAL SERVICES**

- I. WHEREAS, the Agreement is currently in its final one (1) year period and expires on January 4, 2014; and
- J. WHEREAS, County and Contractor agree to extend the term of the Agreement for an additional two (2) years from January 5, 2014 through January 4, 2016 and to increase the Maximum Sum by \$145,456 from \$400,000 to \$545,456; and
- K. WHEREAS, County and Contractor agree to increase the Contractor's professional services rate by ten-percent (10%).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, County and Contractor hereby agree to amend the Agreement as follows:

- 1. Subparagraph 4.1 of the Agreement is deleted in its entirety and replaced as follows to extend the term of the Agreement from January 5, 2014 through January 4, 2016:
  - 4.1 The term of this Agreement shall commence July 5, 2006 and shall terminate January 4, 2016, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.
- 2. Subparagraph 6.2 of the Agreement is deleted in its entirety and replaced as follows to increase the Contractor's professional services rate by ten-percent (10%):
  - 6.2 Payment for Contractor's professional services shall be twenty-six dollars (\$26) per treatment, consistent with the Medicare reimbursement rate.
- 3. Subparagraph 7.1 of the Agreement is deleted in its entirety and replaced as follows to increase the Maximum Sum by \$145,456 from \$400,000 to \$545,456 for the additional two (2) year extension period:
  - 7.1 The Maximum Sum for this Agreement, including any and all extensions and possible price adjustments pursuant to Subparagraph 6.3 above, shall not exceed Five Hundred Forty-Five Thousand, Four Hundred and Fifty-Six Dollars (\$545,456) (hereinafter "Maximum Sum"). Any and all out-of-pocket fees, costs, taxes, and/or expenses not specified by Contractor in Paragraph 6.0 (Payment and Service Schedule) of this Agreement shall

**AMENDMENT NUMBER SEVEN  
TO AGREEMENT NO. 75747  
BY AND BETWEEN COUNTY OF LOS ANGELES  
AND DANIEL LEVITAN, M.D., INC.  
FOR PROFESSIONAL MEDICAL SERVICES**

be the sole responsibility of Contractor, and shall not increase the Maximum Sum.

4. Except as expressly provided in this Amendment, all other terms, covenants, and conditions of the Agreement shall remain the same and in full force and effect.
5. Contractor represents and warrants that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of this Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.

**AMENDMENT NUMBER SEVEN  
TO AGREEMENT NO. 75747  
BY AND BETWEEN COUNTY OF LOS ANGELES  
AND DANIEL LEVITAN, M.D., INC.  
FOR PROFESSIONAL MEDICAL SERVICES**

**IN WITNESS WHEREOF**, the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment Number Seven to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number Seven, or caused it to be duly executed by its duly authorized officer.

COUNTY OF LOS ANGELES

ATTEST:  
SACHI A. HAMAI  
Executive Officer  
Los Angeles County  
Board of Supervisors

By: \_\_\_\_\_  
Chairman, Board of Supervisors

By: \_\_\_\_\_  
Deputy

DANIEL LEVITAN, M.D., INC.

By: Daniel Levitan no  
Daniel Levitan, M.D.

Date: 11-19-13

APPROVED AS TO FORM:  
JOHN F. KRATTLI  
County Counsel

By: Michele Jackson  
Michele Jackson  
Senior Deputy County Counsel